

Message Text

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TO AMEMBASSY BRUSSELS
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C O N F I D E N T I A L L O M E 1685

NOFORN

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E.O. 11652: GDS
TAGS: EAID, ECIN, TO
SUBJECT: TOGO AND STABEX

1. LOCAL FED OFFICIAL HAS INFORMED EMBASSY OF TOGOLESE EFFORTS
TO FUDGE FIGURES IN APPLICATION FOR STABEX SUPPORT OF COCOA
FOR 1976 CALENDAR YEAR.

2. THE STORY STARTS IN DECEMBER, WHEN TOGOLESE BUREAU OF
STATISTICS CONTACTED LOCAL FED TO DISCUSS PUTTING IN APPLICATION
FOR ADVANCE ON STABEX IN COCOA FOR 1976? FED SPENT DAY WITH
BUREAU OFFICIALS GOING OVER STATISTICS IN JUSTIFICATION FOR
TOGO'S CASE AND AGREED THAT IF DECEMBER 1976 COCOA EXPORTS WERE
DOWN, GOT MIGHT HAVE MARGINAL CASE FOR STABEX. AFOTF THESE
CONSULTATIONS WITH FED, BUREAU OF STATISTICS ALTERED EXPORT

STATISTICS BY ADDING TO 1975 EARNINGS FIGURES, SUBTRACTING A
LITTLE FROM 1976, AND CLAIMING NO EXPORTS FOR DECEMBER,
SUBMITTED A CLAIM FOR 740 MILLION CFA DIRECTLY TO BRUSSELS.
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WHEN BRUSSELS THEN QUERIED FED OFFICE IN LOME, LOCAL
FED REPRESENTATIVE WAS STUNNED AT HOW MINIMAL CASE HAD CHANGED
AND BEGAN RESEARCHING GOT FIGURES. FROM TWO INDEPENDENT
RELIABLE SOURCES HE WAS ABLE TO OBTAIN CORRECT TONNAGE
FIGURES INCLUDING EXPORTS (WHICH DID EXIST) FOR DECEMBER. HE
THAN MULTIPLIED BY LONDON SPOT MARKET PRICES TO OBTAIN

APPROXIMATION OF TOGOLESE EARNINGS. THESE HE SENT TO BRUSSELS.
BRUSSELS ASKED LOCAL FED REP TO INVESTIGATE THE DISCREPANCY
FURTHER.

3. TOGO, MEANWHILE, THEN UPPED THE ANTE BY SENDING AN
UNANNOUNCED DELEGATION TO BRUSSELS CONSISTING OF THEIR
AMBASSADOR TO BRUSSELS, THE DIRECTOR OF THE BUREAU OF
STATISTICS AND DIRECTOR OF CUSTOMS TO PUSH APPLICATION FOR
STABEX COMPENSATION. IN TWO DAYS OF DISCUSSIONS, THE
TOGOLESE, INITIALLY STOOD BY THEIR COOKED FIGURES,
INCLUDING ASSERTING NO DECEMBER COCOA EXPORTS, THEN
RETREATING TO POSITION THAT WHILE THERE MAY HAVE BEEN
EXPORTS IN DECEMBER NO STATISTICS OF ANY KIND EXISTED BECAUSE
OF PREPARATION FOR THE TENTH ANNIVERSARY CELEBRATION IN
JANUARY, TOGOLESE ALSO ASSERTED THAT BRUSSELS HAD TO COME THROUGH
SINCE THE REQUESTED STABEX FUNDS HAD ALREADY BEEN COUNTED
AS REVENUE IN THE 1977 GENERAL BUDGET. ON THE SECOND DAY,
AFTER HAVING DROPPED THEIR REQUEST TO 550 MILLION CFA, THE
TOGOLESE FINALLY ASKED WHAT BRUSSELS WOULD OFFER THEM.
BRUSSELS SAID IT APPEARED THEY MIGHT HAVE A CASE FOR MAXIMUM
ASSISTANCE OF 69 MILLION CFA. THE TOGOLESE DID NOT RESPOND.
EXCEPT FOR A 40-MINUTE HARANGUE OF THE FED NEGOTIATOR OVER
THE PHONE AT HIS HOME FROM THE TOGOLESE AMBASSADOR, THAT IS
WHERE THE TALKS ENDED.

4. MEANWHILE, LOCAL FED REPRESENTATIVE CONTINUED TO
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INVESTIGATE AND THIS WEEK SUBMITTED TO BRUSSELS REPORT
DEMONSTRATING THAT, FAR FROM QUALIFYING TOGO FOR STABEX
SUPPORT, THIS YEAR'S COCOA EARNINGS ARE ACTUALLY HIGHER
THAN LAST YEAR'S, EVEN THOUGH TONNAGE IS SLIGHTLY DOWN.

5. COMMENT: FED FACES CRITICAL POLITICAL PROBLEM OF HOW TO
HANDLE GOT. IF FED DISCLOSES SOURCES OF INFORMATION THESE
MAY BE CLOSED OFF BY THE GOT AND NEXT YEAR'S CLAIMS WILL
BE HARDER OR IMPOSSIBLE TO CHECK OUT. AT THE SAME TIME, IF
NO EXPLANATION IS GIVEN FOR DENYING TOGO'S CLAIM, THE FED
FEARS CRITICISM BY OTHER LDCS. LASTLY SHOULD CHEATING
SCANDAL BECOME PUBLIC, STABEX COULD RECEIVE A BAD NAME AND
EEC PUBLIC SUPPORT FOR IT WOULD BE WEAKENED. THEREFORE,
FED IS HOPING THAT GOT, HAVING TRIED AND FAILED, WILL
QUIETLY LET ITS APPLICATION FOR COCOA STABEX
COMPENSATION DROP.
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